



## **One. Intellectual Property Management Plan**

In order to strengthen our leading position in the industry and the results of our advanced technology research and development, the Company has developed an intellectual property strategy that combines our operational goals and R&D resources to establish an operating model that creates value through intellectual property rights. This not only protects the Company's freedom of business operation, but also strengthens our competitive advantage.

### **(I) Patent and trademark protection measures**

1. The intellectual property management strategy of the Company mainly includes the deployment, application for expansion, review and compilation of patent and trademark portfolio. The Company protects its R&D achievement and technological leadership status through the implementation of evaluation mechanism, incentive system, promotional education and talent training at the operational level.

In order to build a solid intellectual property portfolio. Internally, the Company has designed a multi-faceted mechanism to encourage innovation and continuously motivate the employees to submit applications for their inventions; at the same time, the Company has established a systematic patent intellectual property management system, supplemented by a graded review and evaluation process to take into account of both the quantity and quality of patent applications of the employees. Externally, we liaise and exchange technology with local and foreign patent offices in major markets to help patent officers and our employees better understand the technical content, so as to improve the efficiency of patent examination and obtain high-quality patent protection.

2. The Company has established relevant internal rules to support the operation of the management plan, including the Intellectual Property Management Rules (No. KDS-2B-00-017) and Standard Operating Procedures for R&D Patent Portfolio (No. KDS 2K-00-053).

### **(II) Protection of trade secrets**

Apart from focusing on the protection of specific intellectual assets, the Company has established a comprehensive and effective trade secret management system in respect of leading technologies with competitive advantage by recording and integrating the use of competitively advantageous trade secrets.

## **Two. Implementation Status**

- (I) The Company has submitted a report to the Board of Directors at the 11th meeting of the 20th session (8 August 2024) on matters related to patents in intellectual property, including the direction of R&D, quantity of patents etc, and proposed improvement measures in response to the Directors' suggestions.
- (II) The Company has been actively promoting its intellectual property management plan since 2009 and the status of implementation in recent years is mainly as follows:
  1. Since 2010, we have been refining our intellectual property management plan and have completed a systematic patent intellectual property management system successively.
  2. Currently, the list of intellectual property obtained and results are as follows:
    - (1) Trademark: As of December 2023, the group has accumulated over 630 trademark applications worldwide. The trademarks held include the main trademark KENDA and other sub-brands used on products, such as ACENDA. The registration scope includes Taiwan and major markets around the world, such as the United States, the European Union, Southeast Asia, and the Middle East. Efforts are underway to innovate trademarks, giving the K trademark new life and a fresh image. From January 2024 to the end of June, approximately 50 new trademark applications are expected to be submitted.
    - (2) Patents: As of December 2023, the Corporation has accumulated a total of 409 patent applications worldwide and has 90 patents in force worldwide. From January 2024 to the end of June 2024, 5 new patents was added.